



**COSBOARD**  
INDUSTRIES LIMITED

**TWENTY-EIGHTH ANNUAL REPORT  
2007-2008**

**BOARD OF DIRECTORS:****Ratan Kumar Gilra***Chairman & Managing Director***Sunil Kumar Malpani***Director***Anil Kumar Gilra***Whole Time Director***AUDITORS:****L.N. More & Co.***Chartered Accountants**Cuttack***BANKERS:****State Bank of India****REGISTRARS & SHARE TRANSFER AGENTS:****Big Share Services Pvt. Ltd.**

E-2/3 Ansa Industrial Estate,

Sakivihar Road, Sankinaka,

Andheri (E)

MUMBAI - 400 072

**REGISTERED OFFICE:**

New Industrial Estate,

Phase – II, Jagatpur,

Cuttack – 754 021

(ORISSA)

**FACTORY:**

New Industrial Estate,

Phase – II, Jagatpur,

Cuttack – 754 021

(ORISSA)

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**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 28th Annual General Meeting of **COSBOARD INDUSTRIES LIMITED**, will be held at Regd. Office of the company situated at New Industrial Estate, Phase- II, Jagatpur, Cuttack on Tuesday the 30<sup>th</sup> September, 2008 at 11.30 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2008 together with the Report of Directors and Auditors thereon.
2. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors, M/s. L.N. More & Co., Chartered Accountants, Cuttack, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**SPECIAL BUSINESS:**

3. To consider and if thought fit to pass with or without modification(s) as an ordinary resolution the following:

"RESOLVED THAT Mr. Sunil Kumar Malpani, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, and is eligible for appointment, and respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director liable to retire by rotation".

**BY ORDER OF THE BOARD**

**PLACE: CUTTACK**  
**DATE: 30<sup>th</sup> JUNE 2008**

**RATAN KUMAR GILRA**  
**CHARMAN & MANAGING DIRECTOR**

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

The Company does not require any technical know how as the process of manufacturing is conventional one. The Company does not have any separate technical arrangement for running the unit.

**PARTICULARS OF EMPLOYEES & INDUSTRIAL RELATIONS:**

None of the employees has been in receipt of remuneration as envisaged in Section 217 (2A) of the Companies Act, 1956.

**DIRECTORS:**

As per proposal received from some members of the company pursuant to provision of Section 257 of the Company Act 1956, Mr. Sunil Kumar Malpani is being proposed to be appointed as a Director of the Company liable to retire by rotation. The Resolution seeking your approval for the said appointment is being placed in the ensuing Annual General Meeting.

Mr. Guru Charan Singh Gill resigned from the Board w.e.f. 16.06.2008. Your Directors wish to place on record their deep sense of gratitude and appreciation of the contributions made by Mr. Guru Charan Singh Gill during his tenure as a Director of the Company.

**CONSERVATION OF ENERGY:**

As required under companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 the necessary particulars regarding conservation of energy are given in Annexure-1 to this report.

**BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR):**

The revival package had been submitted to Operating Agency (SBI) for necessary revival of the unit and its under active consideration.

**CORPORATE GOVERNANCE:**

The Company is taking steps for compliance with the conditions of Corporate Governance as stipulated under the listing agreement with the Stock Exchange.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Board of Directors of your Company state:

- i. THAT in the preparation of the annual accounts, the applicable accounting standards had been followed except AS-15 (Revised) is not in conformity.

- ii. THAT the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- iii. THAT the Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. THAT the Directors have prepared the annual accounts on a going concern basis.

**ACCOUNTING STANDARD – 15 (Revised)**

The Statutory Auditors, M/s. L.N. More & Co., in the Audit Report has pointed out that the Company has made provision in the Books of Account for retirement benefits of employees (i.e. Gratuity and Leave Cash encashment) but the same are not in conformity with Accounting Standard –15 (Revised).

The Board of Directors has discussed the matter and decided to take steps in Complying the provision of Accounting Standard – 15 (Revised).

**AUDITORS:**

The Auditors of your Company M/s..L.N. More & Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

**APPRECIATION:**

Your company and the Directors wish to extend their sincere thanks to the Governments, the financial Institutions and Commercial Banks for their continuing co-operation and assistance.

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**PLACE: CUTTACK**

**RATAN KUMAR GILRA**

**DATE: 30<sup>th</sup> JUNE 2008**

**CHARMAN & MANAGING DIRECTOR**

**ANNEXURES – 1 TO DIRECTORS' REPORT**

Information under Section 217/(i) (c) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2008.

**A. CONSERVATION OF ENERGY:**

Energy Conservation Measures: Nothing to Report.

**TOTAL ENERGY CONSUMPTION**

<b>I. POWER &amp; FUEL CONSUMPTION</b>	<b>2007 - 2008</b>	<b>2006-2007</b>
<b>1. ELECTRICITY</b>		
Purchased Units	12110040	11571330
Total Amount	41148466	37430774
Rate/Unit	3.40	3.23
<b>2. COAL</b>		
M.T	15035.670	15834.745
Amount	11379517	14607502
Cost (M.T)	756.83	922.50
<b>II. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (Unit/MT)	748.94	752.61
Coal (MT/MT)	0.93	1.03

**B. TECHNOLOGY ABSORPTION :**

Nothing to Report

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**  
(Rs. in lakhs)

16.83

Nil

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**PLACE: CUTTACK**

**DATE: 30<sup>th</sup> JUNE 2008**

**RATAN KUMAR GILRA**

**CHARMAN & MANAGING DIRECTOR**

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF COSBOARD INDUSTRIES LIMITED.**

1. We have audited the attached Balance Sheet of **COSBOARD INDUSTRIES LIMITED**, as at 31<sup>st</sup> March. 2008 and the Annexed Profit & Loss account of the company for the year ended on that date annexed thereto and the Cash Flow statement as on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit:
2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we state that:-
  - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of such books.
  - iii. The Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, as per the information and according to the explanations given to us, no Director is disqualified from being appointed as Director U/S 274 (1) (g) of the Companies Act, 1956.

- v. We report that in our opinion, the provision for retirement benefits made by the Company is not in conformity with AS-15 (Revised). Further, in the absence of detailed information, the impact on the Profit & Loss account and Balance Sheet can not be ascertained (Refer to Note No. 9 of Sch. Q).
- vi. a. Subject to 'V' above, in our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- b. In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts read with Schedules and Notes on Accounts thereon give information as required by the Companies Act, 1956, in the manner so required and give a true and fair view:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2008 and
- ii. In the case of the profit and loss account, of the Loss for the year ended on that date,
- iii. In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For L.N. MORE & Co.  
CHARTERED ACCOUNTANTS

PLACE : CUTTACK

DATE : 30.06.2008

(L.N. MORE)

PARTNER

MEMBERSHIP No. 011485